

CORPORATE LEADERSHIP COUNCIL®

IMPROVING HR BUSINESS PARTNER EFFECTIVENESS

A Comprehensive Look at Competencies and Development Strategies



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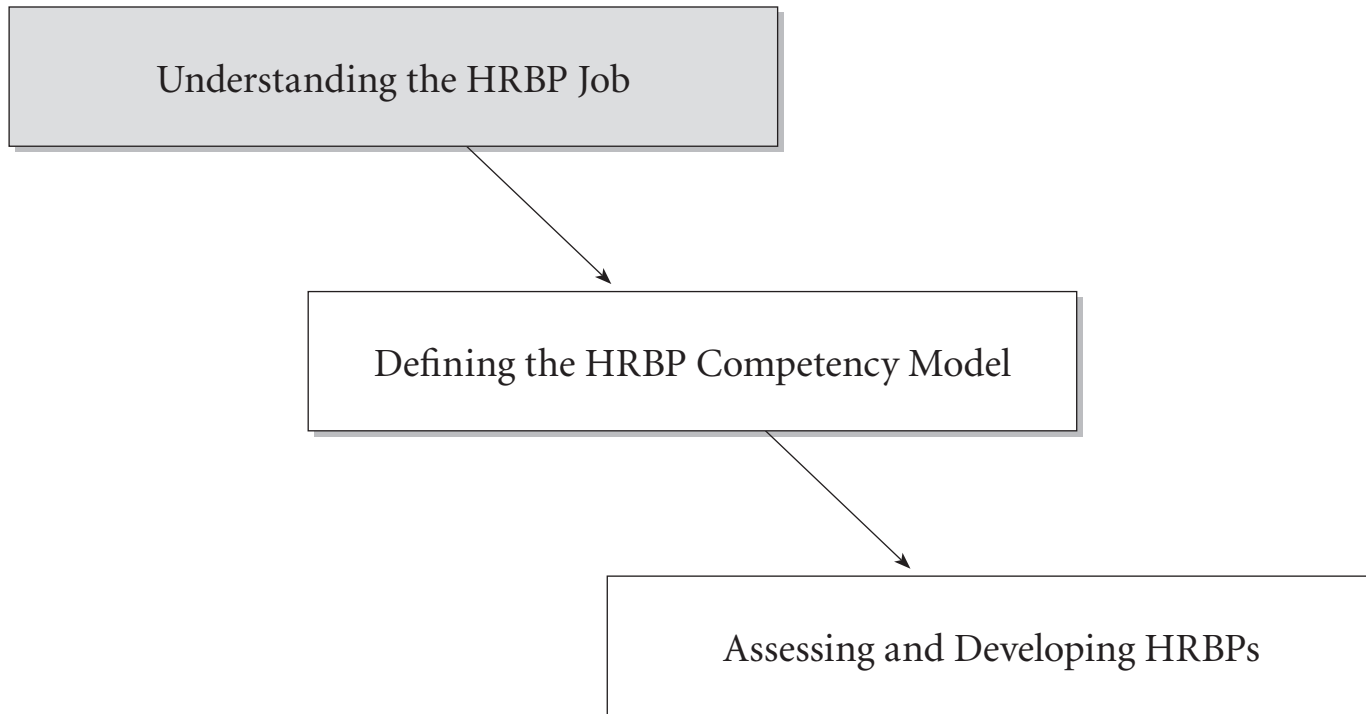
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ROADMAP FOR OUR DISCUSSION



A CHALLENGING MANDATE

CHROs have asked their HR Business Partners to expand their work beyond just transactional HR activities...

—HRBPs' GROWING IMPORTANCE—

“We’re relying more and more on our HR Business Partners to help drive strategy in the business units and to be the face of HR with our clients.”

Chief Human Resources
Officer
Fortune 500 Bank

—STRATEGY CHANGES THE ROLE—

“As the talent market gets tighter, we need to get more strategic, but that’s not the role our HRBPs grew up with.”

Vice President of HR
Financial Services
Organization

...but HR Business Partners have to learn a complex array of new competencies to perform well at old and new roles

—HR CANNOT SPLIT THE JOB—

“One thing we know for sure: we can’t separate the strategic job out, and that means that our people are going to have a lot of different jobs to play.”

Chief Human Resources
Officer
Retail Member

—NEW COMPETENCIES ON THE HORIZON—

“The role is continuing to evolve, and let’s face it, we constantly add competencies, not subtract them.”

Manager of HRBPs
Financial Services
Organization

FOUR ROLES THAT HR BUSINESS PARTNERS PLAY

HRBP activities include operations managing, strategic partnering, employee mediating, and emergency responding

Operations Manager

OM

HRBP Operations Manager Activities

- Assessing employee attitudes
- Communicating organizational culture to employees
- Communicating policies and procedures to employees
- Ensuring HR programs are aligned with culture
- Keeping the line updated on HR initiatives
- Tracking trends in employee behaviors

Strategic Partner

SP

HRBP Strategic Partner Activities

- Adjusting HR strategies to respond to changing needs
- Developing the next generation of leaders
- Identifying critical HR metrics
- Identifying new business strategies
- Identifying talent issues before they affect the business
- Prioritizing across HR needs
- Redesigning structures around strategic objectives
- Understanding the talent needs of the business

Emergency Responder

ER

HRBP Emergency Responder Activities

- Preparing for different situations
- Quickly responding to complaints
- Quickly responding to line manager questions
- Responding to employee needs
- Responding to manager needs

Employee Mediator

EM

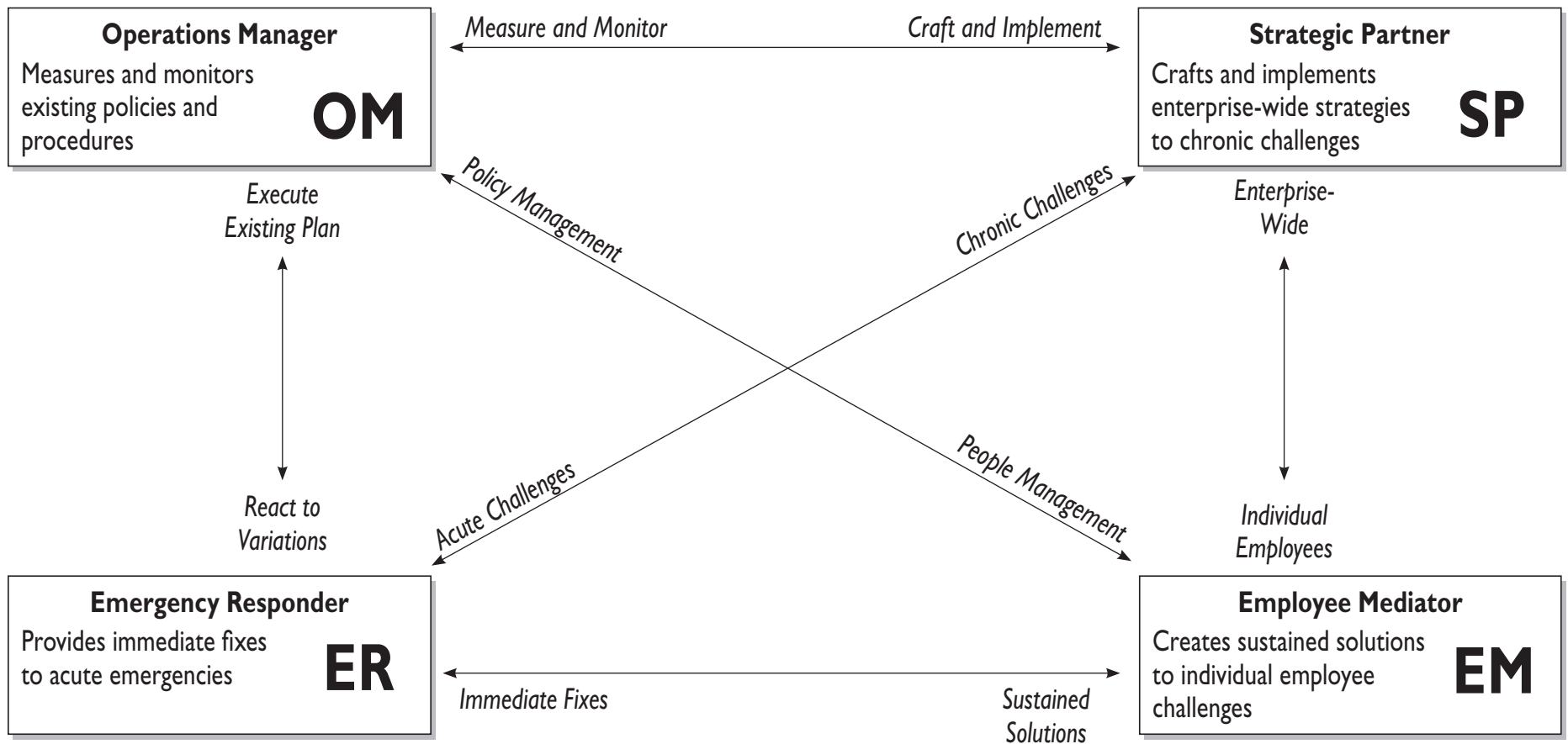
HRBP Employee Mediator Activities

- Managing competing personalities in the organization
- Managing conflict between employees
- Managing conflict between managers
- Responding to organizational changes
- Resolving political problems in the execution of business plans

THE HRBP JOB IS ACTUALLY FOUR JOBS

HRBPs must balance tensions between the different roles they play

Differences Between HRBPs' Four Roles

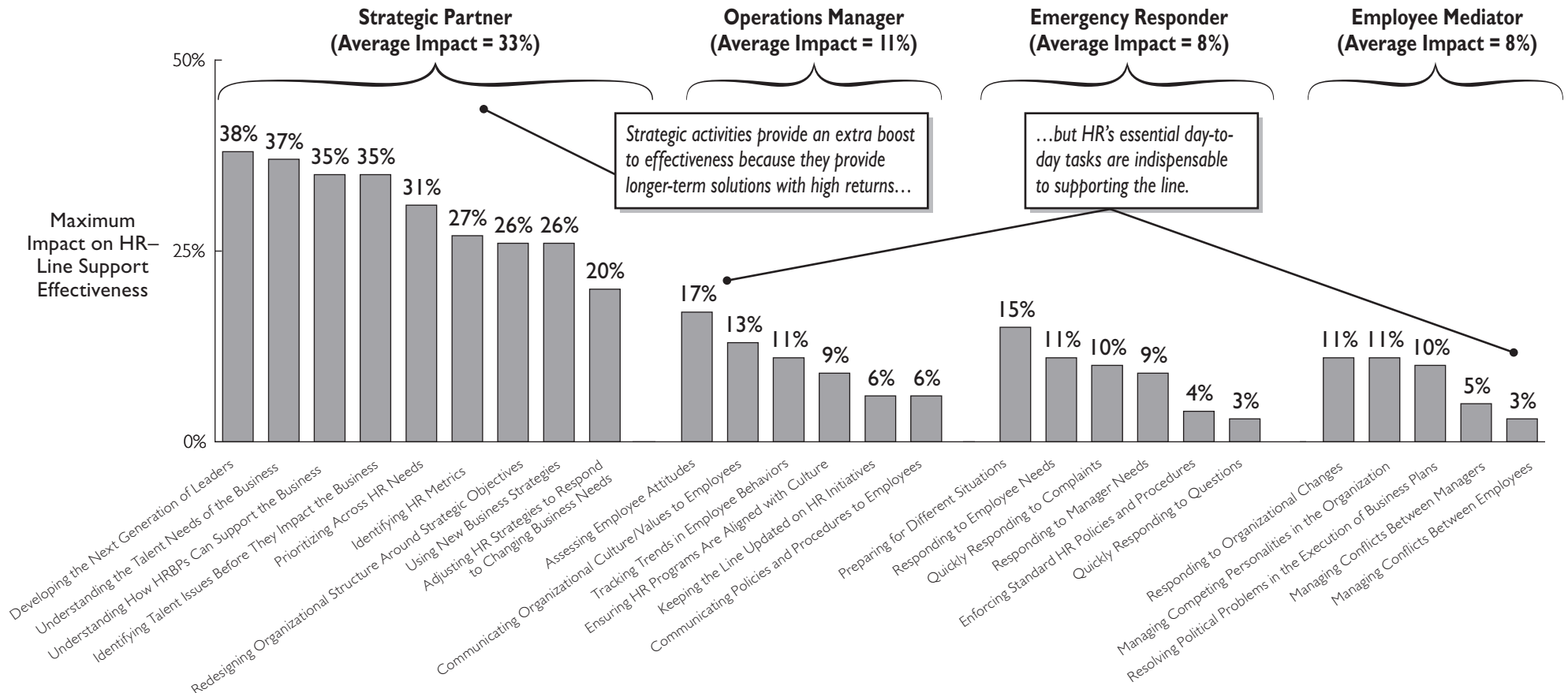


Source: Corporate Leadership Council's HR-Line Support Effectiveness Survey; Corporate Leadership Council research.

HRBPs DRIVE HR–LINE SUPPORT EFFECTIVENESS ACROSS ALL FOUR ROLES

While strategic HR activities consistently have a greater impact on HR–Line support effectiveness, transactional activities remain important

HRBP Activities' Impact on HR–Line Support Effectiveness

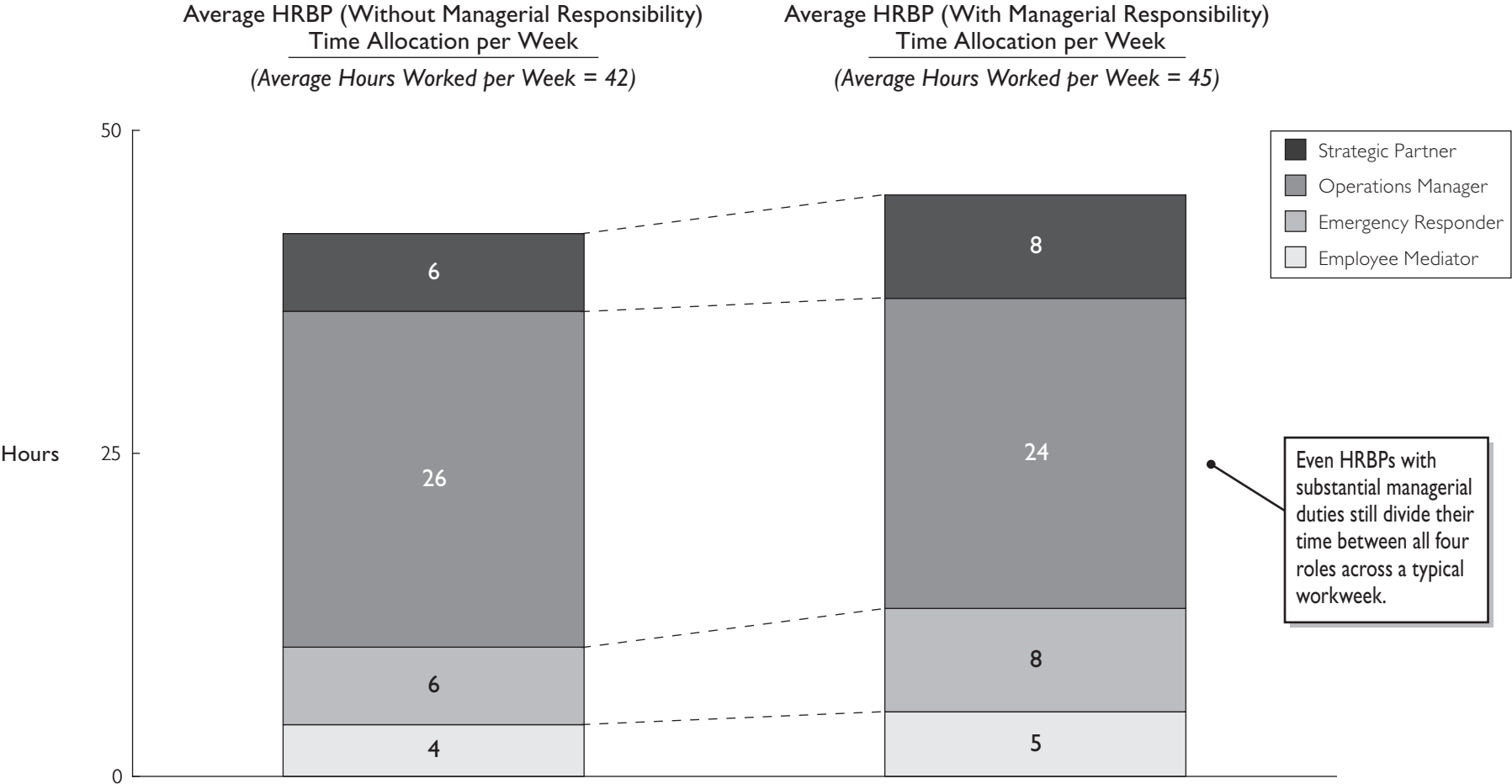


Note: Each bar represents a statistical estimate of the maximum total impact on strategic role effectiveness that each driver will produce. The maximum total impact is calculated by comparing two statistical estimates: the predicted impact when an HRBP scores "high" on a driver, and the predicted impact when an HRBP scores "low" on a driver. The effects of all drivers are modeled using a variety of multivariate regressions with appropriate control variables.

Source: Corporate Leadership Council's HR–Line Support Effectiveness Survey; Corporate Leadership Council research.

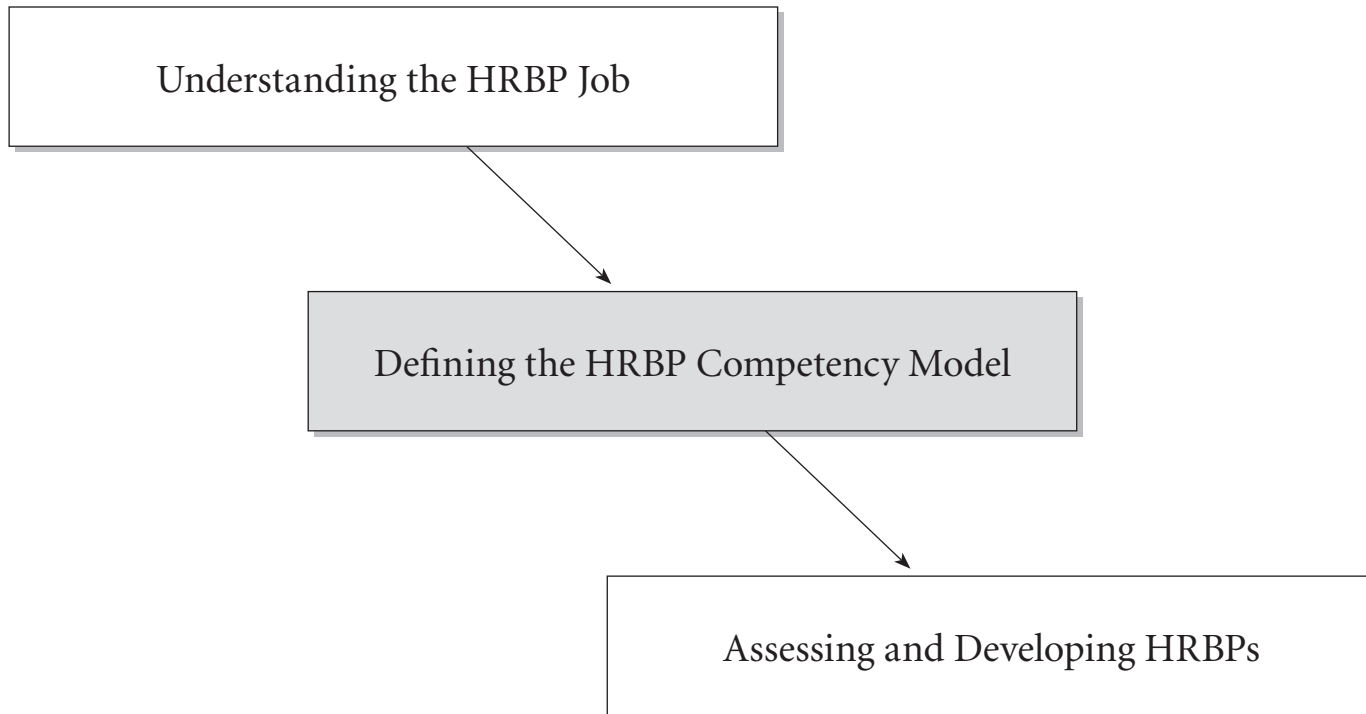
HRBPs MUST DIVIDE TIME BETWEEN FOUR ROLES

Despite the importance of the Strategic Partner role, HRBPs spend much more time on operations management



Source: Corporate Leadership Council's HR-Line Support Effectiveness Survey; Corporate Leadership Council research.

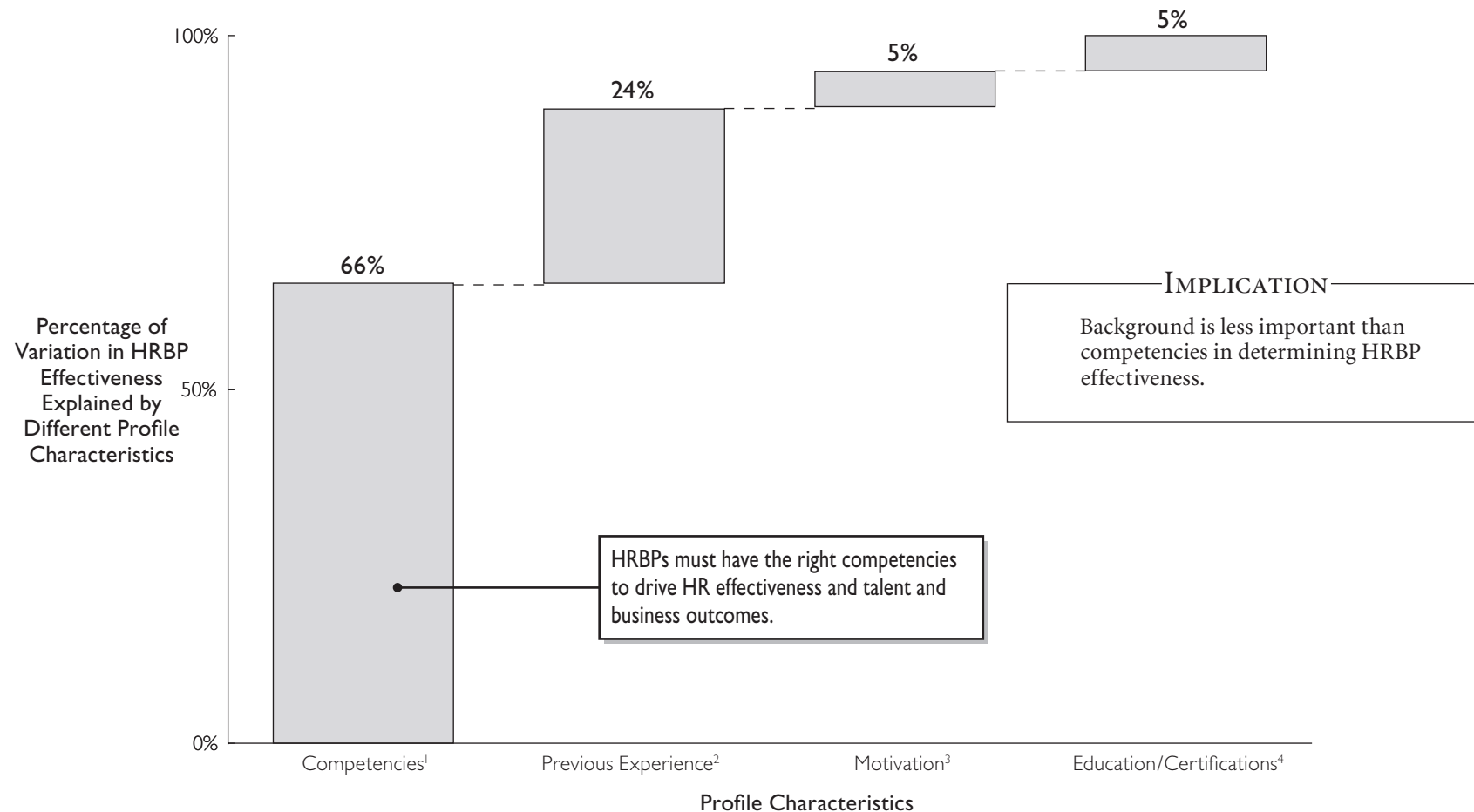
ROADMAP FOR OUR DISCUSSION



COMPETENCIES ARE THE KEY CONTRIBUTORS TO HRBP EFFECTIVENESS

Competencies explain a majority of the variation in the capabilities of individual HRBPs

Influence of Profile Characteristics on Role Effectiveness



¹ Competencies include the knowledge and skills of the HRBP.

² Previous experience includes previous industry experience and previous HR experience (e.g., previous communication industry experience).

³ Motivation refers to the motivation of HRBPs to join HR (e.g., joining HR to become a consultant).

⁴ Education and certifications refer to the educational and certification achievements of HRBPs (e.g., a bachelor's degree, an M.B.A., or PHR certification).

Note: The chart maps the profile characteristics that explain a person's contribution to explaining the variation in strategic role effectiveness. The percentage of variation explained by the person is calculated by conducting an ANOVA (Analysis of Variance).

Source: Corporate Leadership Council's HR-Line Support Effectiveness Survey; Corporate Leadership Council research.

BUILDING A HRBP COMPETENCY MODEL

The Council seeks to identify the knowledge and skills that are most important to driving HRBP effectiveness

Steps for Designing the HRBP Competency Model

Step #1: Survey line managers on HRBP levels of knowledge on particular topics.

Step #2: Survey line managers on HRBP skill levels.

Step #3: Use multivariate regressions to determine the relative impact of competencies on HRBP effectiveness.

Knowledge

- Workforce planning
- Engagement
- Succession management
- Performance management
- Retention

“KNOWLEDGE” DEFINED

“Knowledge” refers to the facts and information the HRBP has on a specific topic.

Skills

- Metrics use and development
- Innovation skills
- Cost-benefit analysis
- Leadership
- Presentation skills

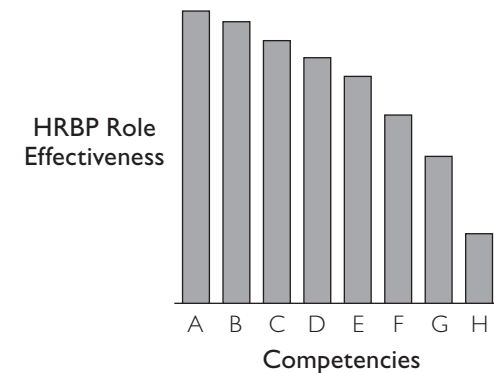
“SKILLS” DEFINED

“Skills” refer to the acquired or natural proficiencies of the HRBP.

$$Y = \beta_0 + \beta_1 Y_1 + \beta_2 Y_2 + \beta_3 Y_3 + \xi$$

Most Important Competencies

Illustrative



Source: Corporate Leadership Council's HR-Line Support Effectiveness Survey; Corporate Leadership Council research.

CRITICAL COMPETENCIES FOR THE FOUR ROLES

Only a few types of knowledge and skills substantially drive effectiveness for each role

Operations Manager

OM

Knowledge	Maximum Impact on Effectiveness
Workforce Diversity	26%
Business Acumen	13%
Transactional Knowledge	10%
Skills	
Recordkeeping	10%
Innovation	9%
Presentation Skills	8%

Strategic Partner

SP

Knowledge	Maximum Impact on Effectiveness
Business Acumen	21%
Workforce Management Knowledge	13%
Skills	
Metrics Use and Creation	21%
Innovation	19%
Leadership	18%

Emergency Responder

ER

Knowledge	Maximum Impact on Effectiveness
Business Acumen	18%
Transactional Knowledge	10%
Skills	
Recordkeeping	15%
Conflict Resolution	9%
Innovation	9%
Conciliation	8%

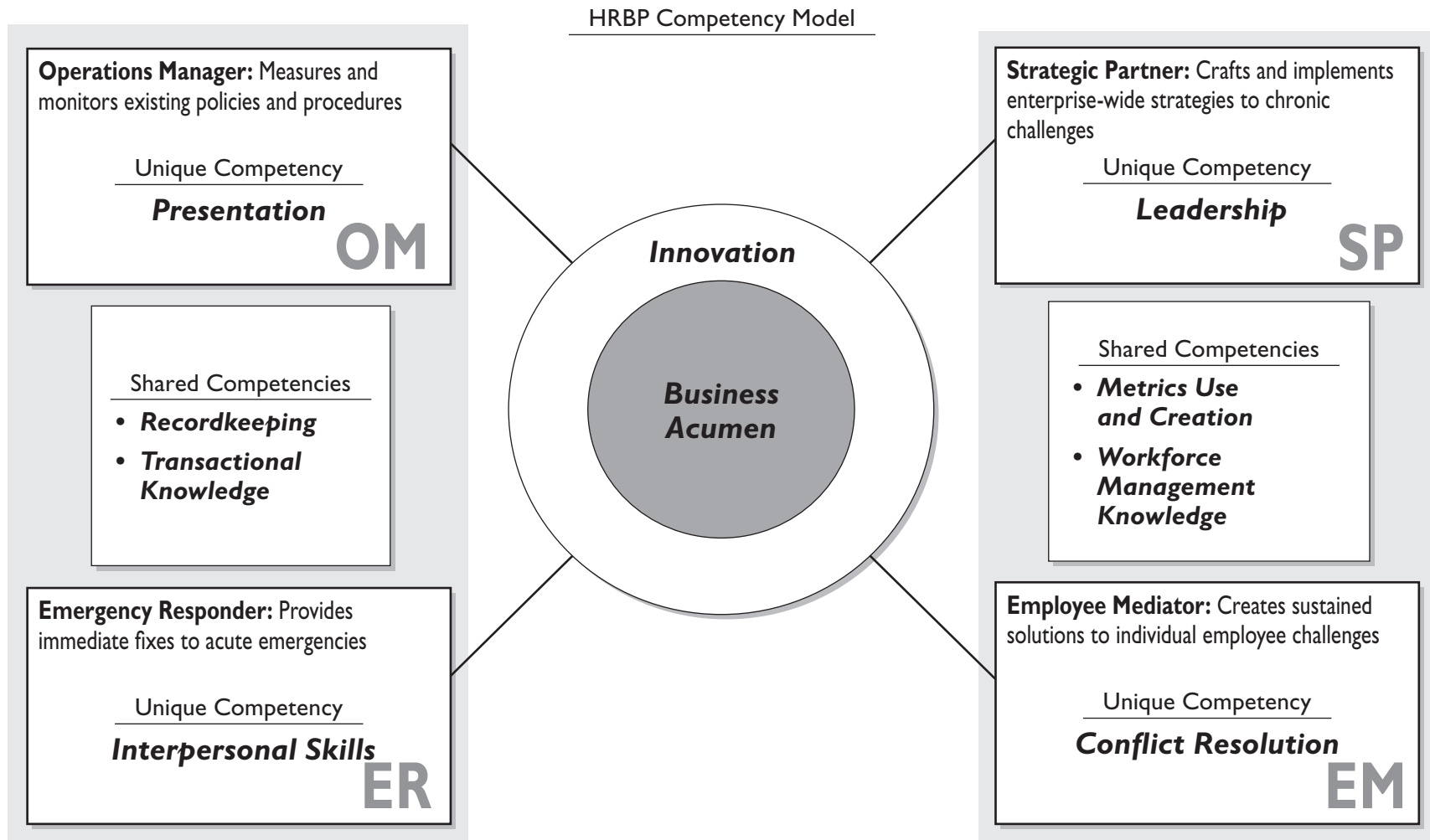
Employee Mediator

EM

Knowledge	Maximum Impact on Effectiveness
Business Acumen	13%
Workforce Management Knowledge	6%
Skills	
Conflict Resolution	18%
Metrics Use and Creation	10%
Innovation	8%

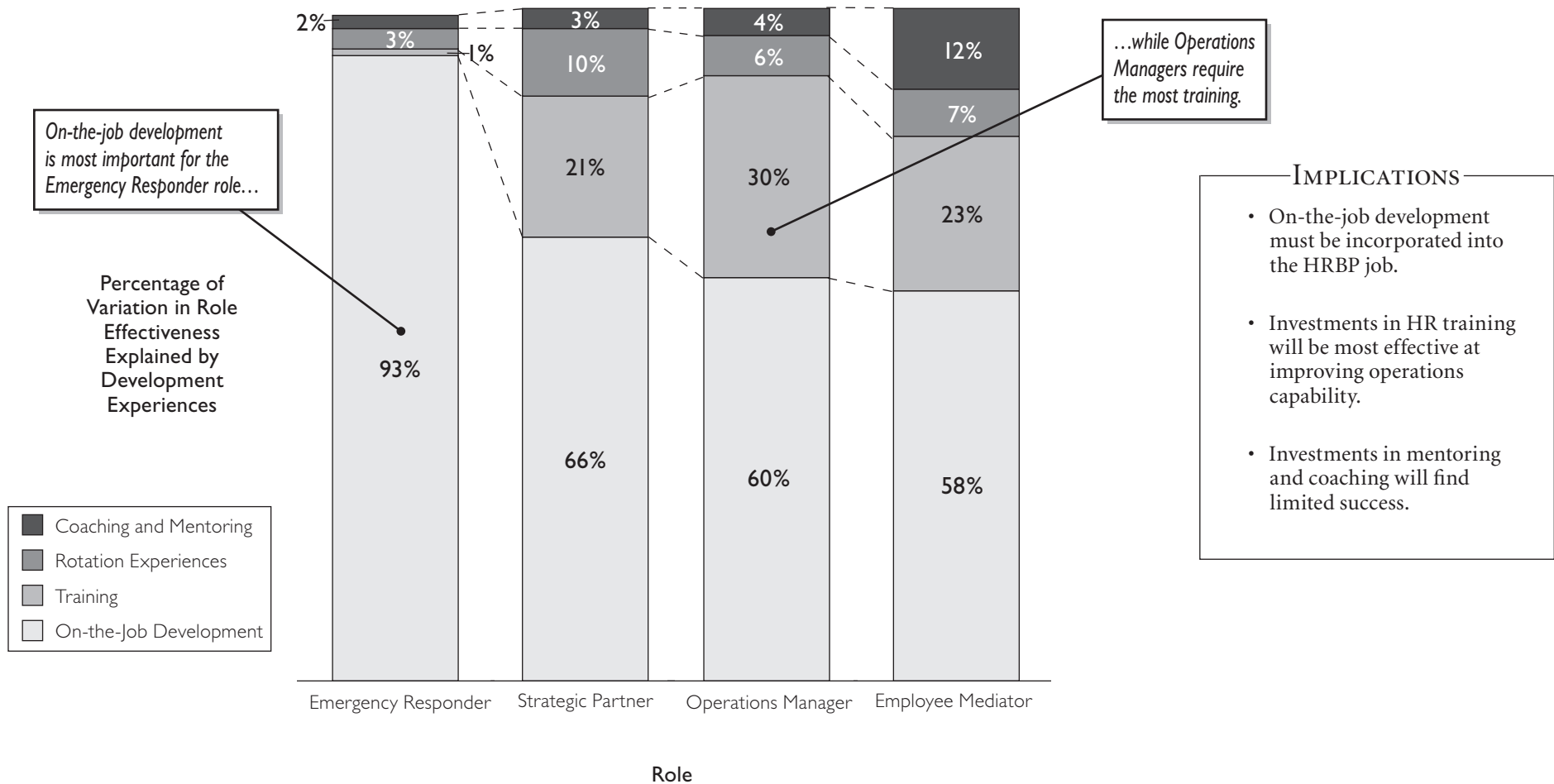
THE CLC HR BUSINESS PARTNER COMPETENCY MODEL

Business Acumen, followed by Innovation, is at the core of the HR Business Partner Competency Model, while specialized competencies are central to performance on each role



ON-THE-JOB DEVELOPMENT IS CRITICAL AT IMPROVING HRBP ABILITIES

Training is beneficial for some roles



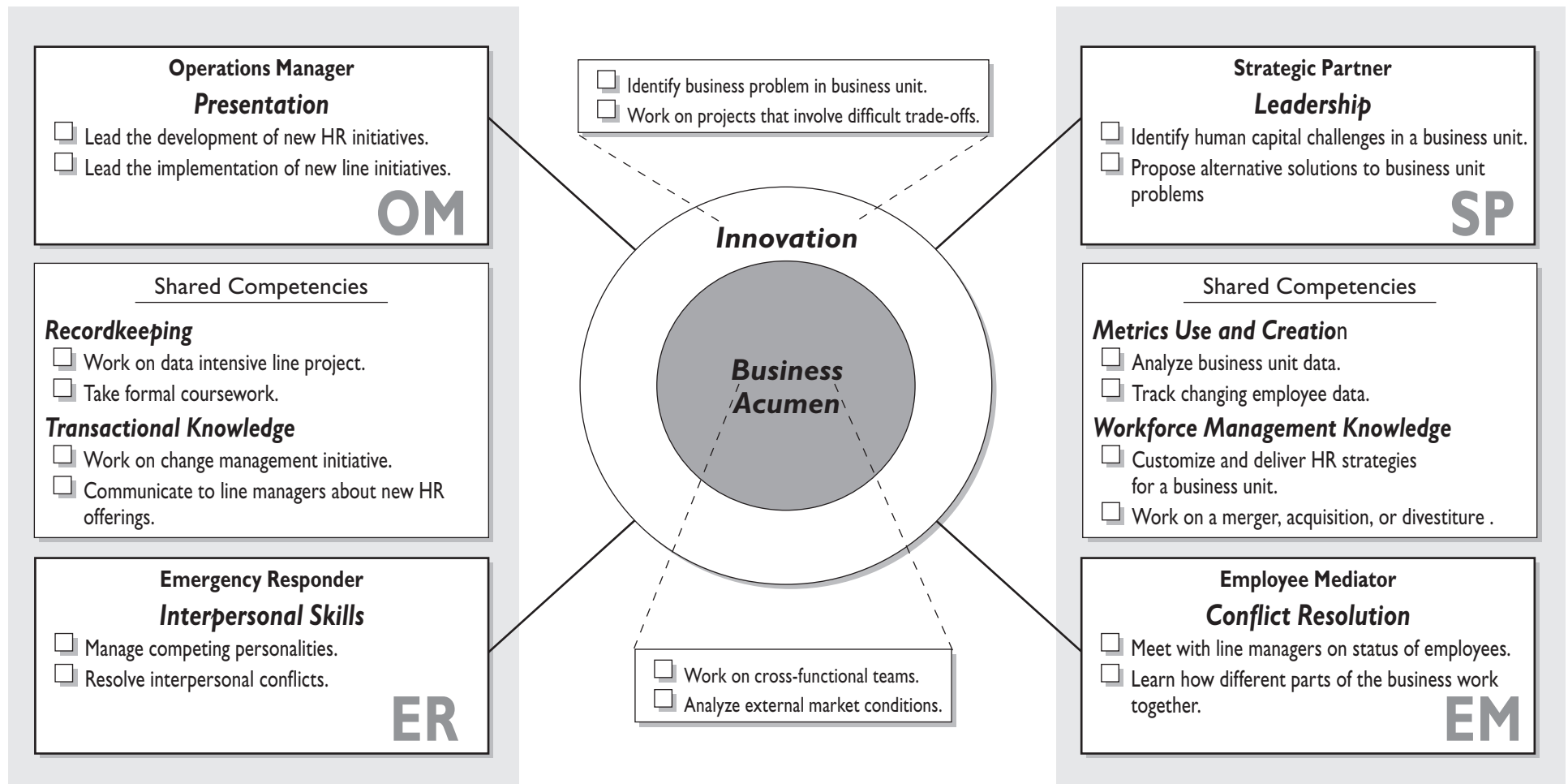
Source: Corporate Leadership Council research.

CREATING DEVELOPMENT EXPERIENCES TO IMPROVE ROLE EFFECTIVENESS

Across roles, development experiences should be built into the job

HRBP Competency Model

Principle Development Experiences for Each Role



Source: Corporate Leadership Council research.

CRITICAL LINE INTERACTIONS FOR THE FOUR ROLES

Only a few job-specific line interactions drive effectiveness for each role

Operations Manager

OM

Line Interactions	Maximum Impact on Effectiveness
Communicating Organizational Standards	22%
Following up on Recommendations	4%
Setting Service Expectations	4%
Bringing Accurate Information	3%
Using Business Language	3%

Strategic Partner

SP

Line Interactions	Maximum Impact on Effectiveness
Using Data-Driven HR–Business Insights	24%
Tailoring Solutions to Meet Business Needs	17%
Setting Expectations	17%
Completion of Predefined Objectives	16%
Communicating Business-Relevant Information	14%
Articulating a Strong Point of View	13%
Maintaining an Enterprise Viewpoint	12%

Emergency Responder

ER

Line Interactions	Maximum Impact on Effectiveness
Being Responsive to Feedback	12%
Being Sensitive to Your Time Needs	9%
Being Prompt	7%
Maintaining Integrity	4%
Getting to the Right Solution	4%

Employee Mediator

EM

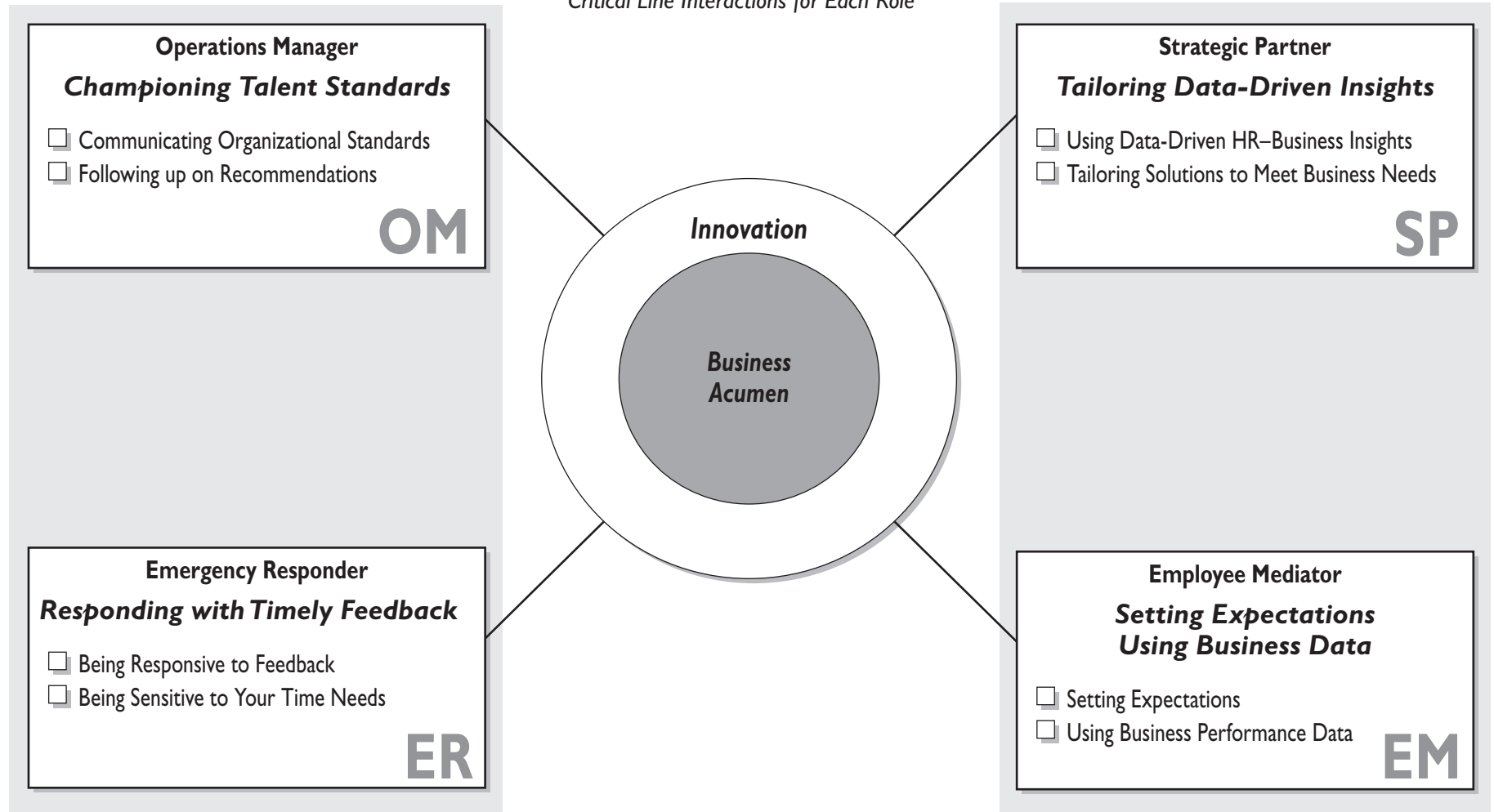
Line Interactions	Maximum Impact on Effectiveness
Setting Expectations	7%
Using Business Performance Data	6%
Creating Business Cases	4%
Arguing for Specific Solutions	2%

FOCUSING ON THE LINE INTERACTIONS OF EACH ROLE

Critical Line Interactions define best-in-class execution on specific roles

HRBP Competency Model

Critical Line Interactions for Each Role



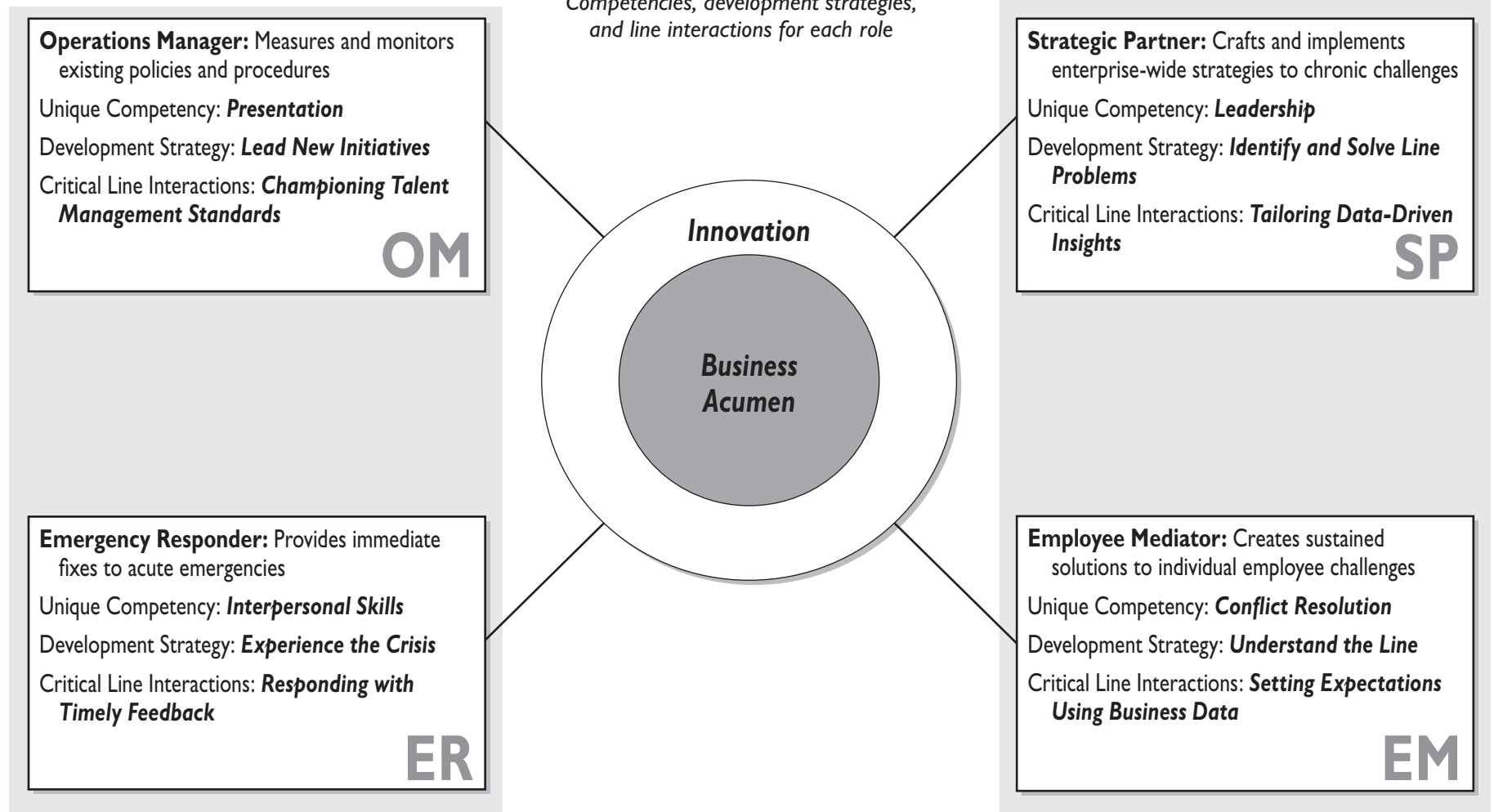
Source: Corporate Leadership Council research.

A HOLISTIC VIEW OF THE HRBP JOB

Every role has unique competencies, development strategies, and critical line interactions

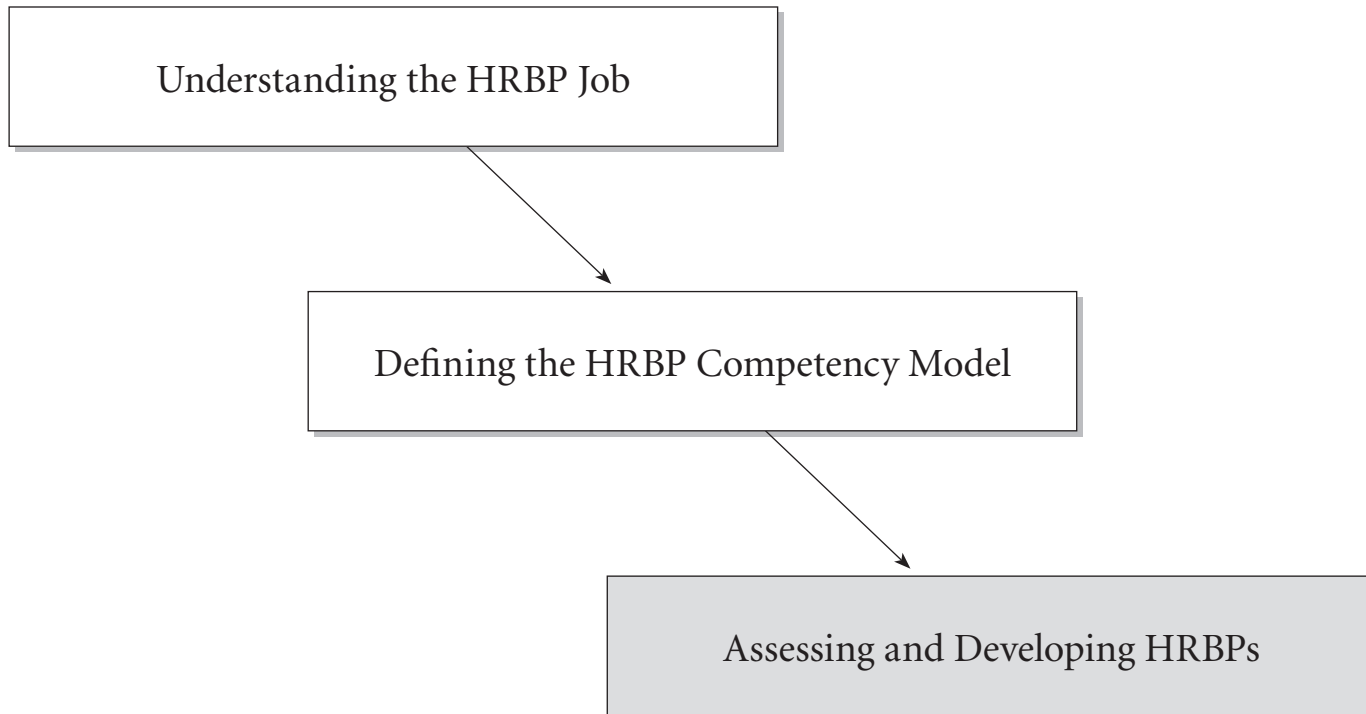
HRBP Competency Model

Competencies, development strategies,
and line interactions for each role



Source: Corporate Leadership Council research.

ROADMAP FOR OUR DISCUSSION



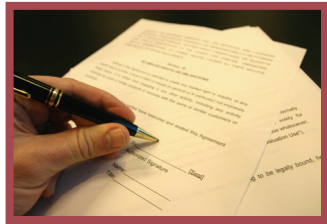
INTRODUCING THE HR BUSINESS ALIGNMENT TOOL (HR BAT)

The HR BAT provides four unique benefits...

The Council partners with BAT participants to build and administer periodic pulse surveys of line managers via a unique Web site. The survey questions are based on proprietary IP that tracks the effectiveness of individual Business Partners on the activities that matter the most. Participants can feel comfortable they are asking the right questions and collecting data that will help drive results.

Assessment of the Effectiveness of the Function

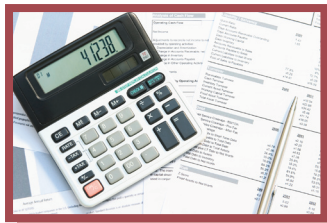
Measuring the effectiveness
of the function



Segmenting your results



HR Business Alignment Tool



Assessing HRBPs



Supporting HRBPs

Resources for Individual HRBPs

...to dramatically increase HR effectiveness

By monitoring the effectiveness of the function, CHROs are able to make the resource allocations that will have the biggest impact on improving functional performance. In addition, Business Partners have access to proven tools, resources, and peer networks that not only improve their performance, but also speed time to implementation at lower costs.

Source: Corporate Leadership Council research.

IDENTIFY CRITICAL GAPS AND ACTIVITIES TO DRIVE HRBP EFFECTIVENESS

Organizations should start by identifying the role composition of their HR staff

Step 1:
Assess the role composition of your HR staff.

Step 2:
Assess HR staff for skill gaps using the Council's HR Business Alignment Tool.

Step 3:
Determine appropriate development experiences and support with the Council's HRBP Portal.

Example: Sue Walker's Role Composition

Strategic Partner

- ☒ Understanding business talent needs
- ☐ Prioritizing across HR needs
- ☒ Identifying HR metrics

Operations Manager

- ☒ Tracking trends in employee behavior
- ☒ Assessing employee attitudes
- ☐ Keeping the line updated on HR initiatives

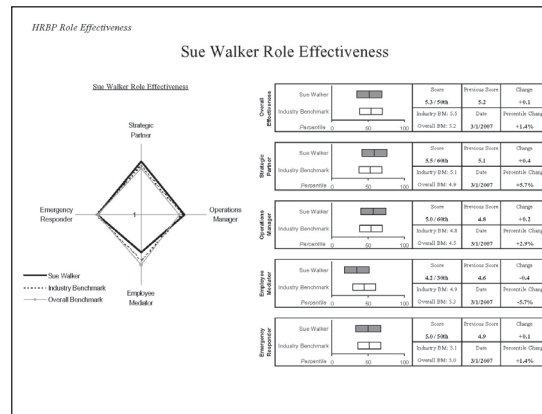
Emergency Responder

- ☒ Preparing for different situations
- ☐ Quickly responding to questions
- ☒ Responding to manager needs

Employee Mediator

- ☒ Managing conflict between managers
- ☐ Managing conflict between employees
- ☒ Responding to organizational change

Example: Sue Walker's Role Effectiveness Gaps



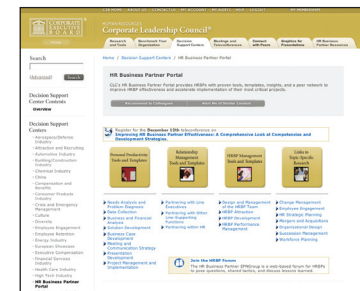
Example: Sue Walker's Development Experiences and Available Resources

Strategic Partner

- Create opportunities for your HRBPs to present new HR strategies to senior leaders in the organization
- Work with a line manager to identify and implement a new program that addresses a business-unit specific challenge
- "HR Management and Strategy" decision support center
- "Business unit HR Strategy Process Guide" on HRBP Portal

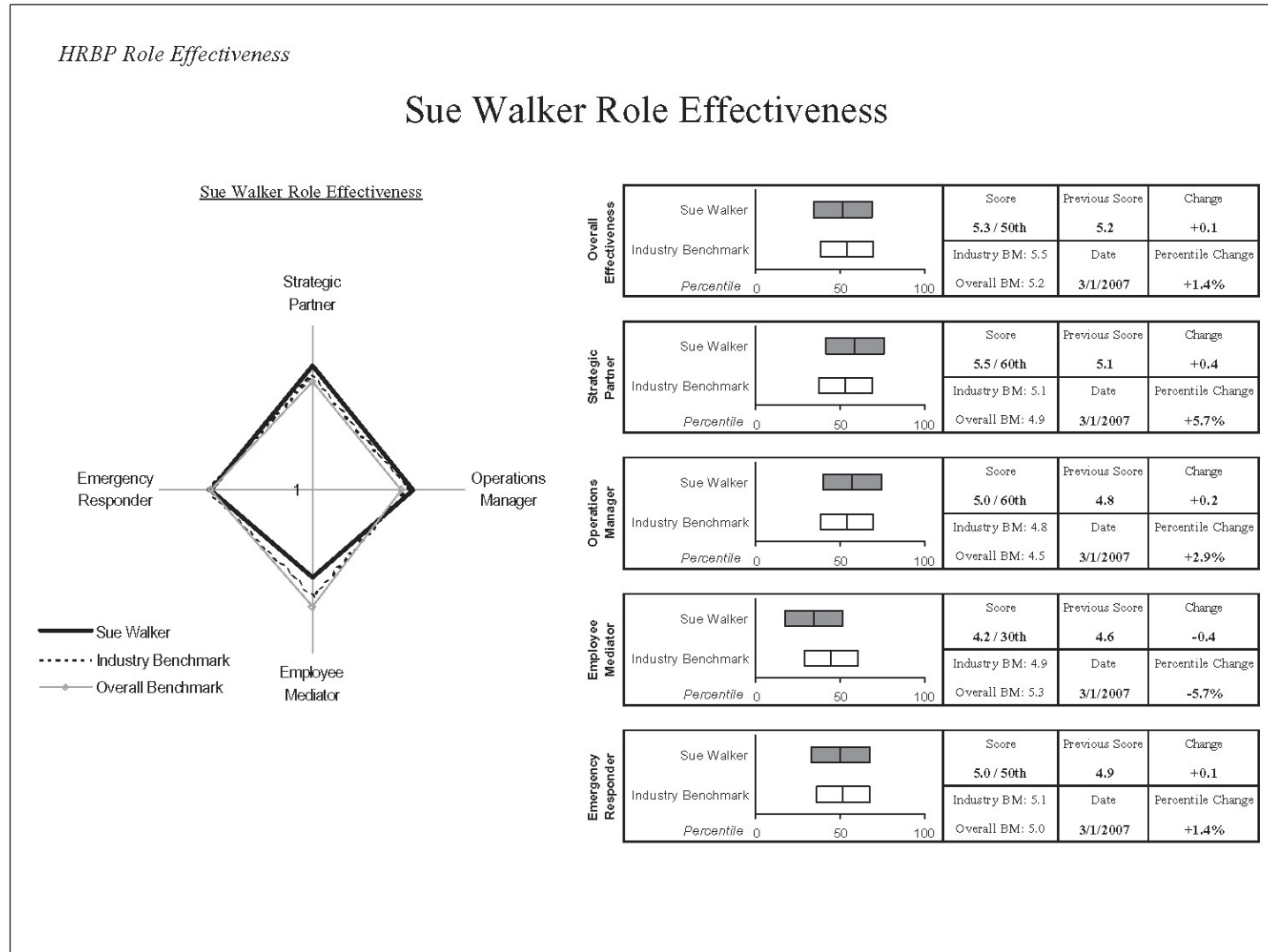
Business Skills

- Creating opportunities for your HRBPs to work on cross-functional teams to broaden their business exposure
- Creating opportunities for your HRBPs to manage the relationships that you might have with existing vendors
- "Project Scope Template" on HRBP Portal
- "SCAMPER" on HRBP Portal



STEP 2: ASSESS HR STAFF FOR SKILL GAPS

Determine development needs using the Council's HR Business Alignment Tool



Source: Corporate Leadership Council research.

STEP 3: TARGET HRBPs' GREATEST SKILL GAPS

Access the Council's HRBP portal to support HR Business Partner development

Strategic Partner

- Create opportunities for your HRBPs to present new HR strategies to senior leaders in the organization
- Work with a line manager to identify and implement a new program that addresses a business-unit specific challenge

Council-Specific Resources Available

- "HR Management and Strategy" decision support center
- "Business unit HR Strategy Process Guide" on HRBP Portal

Business Skills

- Creating opportunities for your HRBPs to work on cross-functional teams to broaden their business exposure
- Creating opportunities for your HRBPs to manage the relationships that you might have with existing vendors

Council-Specific Resources Available

- "Project Scope Template" on HRBP Portal
- "SCAMPER" on HRBP Portal

COUNCIL RESOURCES AVAILABLE TO SUE WALKER

In addition to the feedback provided within the report, HRBPs are encouraged to access additional development resources available to Council member organizations at www.clc.executiveboard.com.

Access the **HRBP Portal** for best-in-class tools and templates.



Participate in **HRBP Discussion Forums** to network with HRBPs on specific challenges.



Sign-up for **Corporate Leadership Council Alerts** on particular topics of interest.



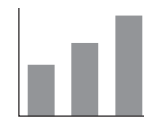
Use the **Council's Decision Support Centers** to upskill on particular topics.



Join **Council Teleconferences** on particular topics of interest.



Benchmark your organization against others in the industry.



Use graphics from the **Council's Graphics Database** in internal presentations.



Leverage the **Council's Roadmaps** to aid in implementation of new programs.



Use the **Council's Communication Tools** for internal presentations on specific topics.



THE CLC HR BUSINESS PARTNER PORTAL

Providing implementation support fosters improved HR business partner performance

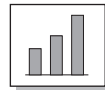
The HR Business Partner portal is available to all members of the Corporate Leadership Council. This rich set of online resources provides HR Business Partners (HRBPs) with proven tools, insights, and peer networks to improve HRBP effectiveness and accelerate the implementation of their most critical projects.

The HR Business Partner portal supports HRBPs in the key challenges of their role...

Key Sections of HRBP Portal



Business and Financial Analysis



Business Case Development



Relationship Management and Influence



Communication Strategy and Presentation Development



Problem Diagnosis and Solution Design



Project Management and Implementation



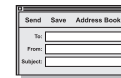
HR Strategic Plan Development

...through a robust set of best practice resources to improve HRBP performance

Sample HRBP Portal Resources



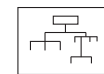
Online Discussion Groups



Communication and Presentation Templates



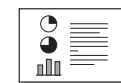
Sample Business Cases



Problem Solving and Analytical Frameworks



Financial Analysis Tools and Templates



Customizable PowerPoint Presentations and Graphics



Implementation Roadmaps

For more information on the HR Business Partner portal, please contact Sari Levine at slevine@executiveboard.com or +1-202-777-9583.



APPENDIX

DEVELOPMENT EXPERIENCES

On-the-job training experiences are most important across all development activities

Maximum Impact of Development Experiences on Competencies

Competencies	Development Experiences*
<i>Business Acumen</i>	<ul style="list-style-type: none"> • Work on cross-functional teams—7% • Analyze external market conditions—6%
<i>Innovation</i>	<ul style="list-style-type: none"> • Identify business problem in business unit—14% • Work on projects that involve difficult trade-offs—14%
<i>Presentation</i>	<ul style="list-style-type: none"> • Lead the development of a new HR initiative—31% • Lead the implementation of a new line initiative—13%
<i>Recordkeeping</i>	<ul style="list-style-type: none"> • Work on data-intensive line project—21% • Take formal coursework—13%
<i>Transactional Knowledge</i>	<ul style="list-style-type: none"> • Work on change management initiative—7% • Communicate to line managers about new HR initiatives—7%
<i>Interpersonal Skills</i>	<ul style="list-style-type: none"> • Manage competing personalities—5% • Resolve interpersonal conflicts—5%
<i>Leadership</i>	<ul style="list-style-type: none"> • Identify human capital challenges in a business unit—17% • Propose alternative solutions to business unit problems—12%
<i>Metrics Use and Creation</i>	<ul style="list-style-type: none"> • Analyze business unit data—13% • Track changing employee data—4%
<i>Workforce Management Knowledge</i>	<ul style="list-style-type: none"> • Customize and deliver HR strategies for a business unit—6% • Work on a merge, acquisition, or divestiture—7%
<i>Conflict Resolution</i>	<ul style="list-style-type: none"> • Meet with line managers on status of employees—30% • Learn how different parts of the business work together—24%

¹ The maximum total impact is calculated by comparing two statistical estimates: the predicted impact when an HRBP scores "high" on a driver and the predicted impact when an HRBP scores "low" on a driver. The effects of all drivers are modeled using a variety of multivariate regressions with appropriate control variables.

Source: Corporate Leadership Council research.

DEFINITION OF TERMS

Competencies

Knowledge

Business Acumen—Refers to the ability to use insight of the organization's internal and the external business environment to improve the human capital outcomes that affect business unit performance

Transactional Knowledge—Refers to the ability to use knowledge about legal and HR processes to solve HR problems.

Workforce Diversity—Refers to the ability to use workforce diversity knowledge to help solve problems related to racial, ethnic, gender, religious, political, or other relevant divides between people

Workforce Management Knowledge—Refers to the ability to use HR knowledge on engagement, performance management, and attraction at the business unit level to provide strategic solutions to human capital problems

Skills

Interpersonal Skills—Refers to the ability to reconcile different interests to solve an HR problem

Conflict Resolution—Refers to the ability to resolve conflicts between employees

Innovation—Refers to the ability to customize or implement HR solutions to human capital problems in creative ways, or to craft new HR solutions

Leadership—Refers to the ability to persuade line managers of the need for new or existing HR programs by taking a leadership position

Metrics Use and Creation—Refers to the ability to develop and use metrics to make the business case for HR programs, to align HR strategy with corporate goals, and to assess and justify the performance of HR programs

Presentation—Refers to the ability to make presentations on HR programs and processes

Recordkeeping—Refers to the ability to keep accurate organizational and individual employee records

Line Interactions

Arguing for Specific Solutions—Refers to arguing on behalf of a specific solution for a specific problem

Articulating a Strong Point of View—Refers to taking a stand on an issue

Being Prompt—Refers to being prompt in all communications with managers

Being Responsive to Feedback—Refers to responding to feedback from line managers

Being Sensitive to Your Time Needs—Refers to taking time needs of managers into consideration when communicating HR programs and processes

Bringing Accurate Information—Refers to having the most accurate information at hand in meetings with line managers

Communicating Business-Relevant Information—Refers to ensuring information in HR communications that have business information that is relevant to the business

Communicating Organizational Standards—Refers to communicating standards around organizational policies and procedures

Completion of Predefined Objectives—Refers to completing objectives on HR projects defined in advance

Creating Business Cases—Refers to creating the business case for a specific program

Following up on Recommendations—Refers to following up on recommendations made to line managers

Getting to the Right Solution—Refers to finding not only a solution, but the one that is likely to lead to the right answer

Maintaining an Enterprise Viewpoint—Refers to maintaining an overall view of the organization when communicating with line managers

Maintaining Integrity—Refers to maintaining your belief in what is important in your communications with managers

Setting Expectations—Refers to setting expectations about HR programs

Setting Service Expectations—Refers to setting service delivery expectations around HR products and processes

Tailoring Solutions to Meet Business Needs—Refers to tailoring center-led initiatives to meet the specific needs of the business unit

Using Business Language—Refers to using business speak in your daily communications

Using Business Performance Data—Refers to using data in communicating the value of HR programs

Using Data-Driven HR-Business Insights—Refers to using data when making an argument about an insight related to HR and the business

CORPORATE LEADERSHIP COUNCIL

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